

## **Interest Rates Applicable for Underpaid California Estate Tax**

(Pursuant to Revenue and Taxation Code Section 13550)

<u>Time Period</u>	<u>Interest Rate</u>	<u>Daily Rate*</u>
Prior to January 1, 1999	12%	.00032876
January 1, 1999 through March 31, 1999	7%	.00019178
April 1, 1999 through March 31, 2000	8%	.00021918
April 1, 2000 through March 31, 2001	9%	.00024590
April 1, 2001 through June 30, 2001	8%	.00021918
July 1, 2001 through December 31, 2001	7%	.00019178
January 1, 2002 through December 31, 2002	6%	.00016438
January 1, 2003 through September 30, 2003	5%	.00013699
October 1, 2003 through March 31, 2004	4%	.00010959
April 1, 2004 through June 30, 2004	5%	.00013699
July 1, 2004 through September 30, 2004	4%	.00010929
October 1, 2004 through December 31, 2004	5%	.00013699

\*Per \$1.00 of underpayment.

### **Interest Computation Method:**

- Through December 31, 2000, the interest rates shown above are applied as simple rates and interest is assessed only against the balance of unpaid tax.
- Effective January 1, 2001, interest is compounded daily using the above rates due to the enactment of Assembly Bill 2818 (Chapter 363, Statutes of 2000) which amended Revenue and Taxation Code Section 13550.

The interest rate in effect for periods beginning on or after January 1, 1999, is the rate for underpayment of tax provided in Section 6621(a)(2) of the Internal Revenue Code from the date it becomes delinquent and until it is paid. The applicable federal interest rate is subject to change quarterly.